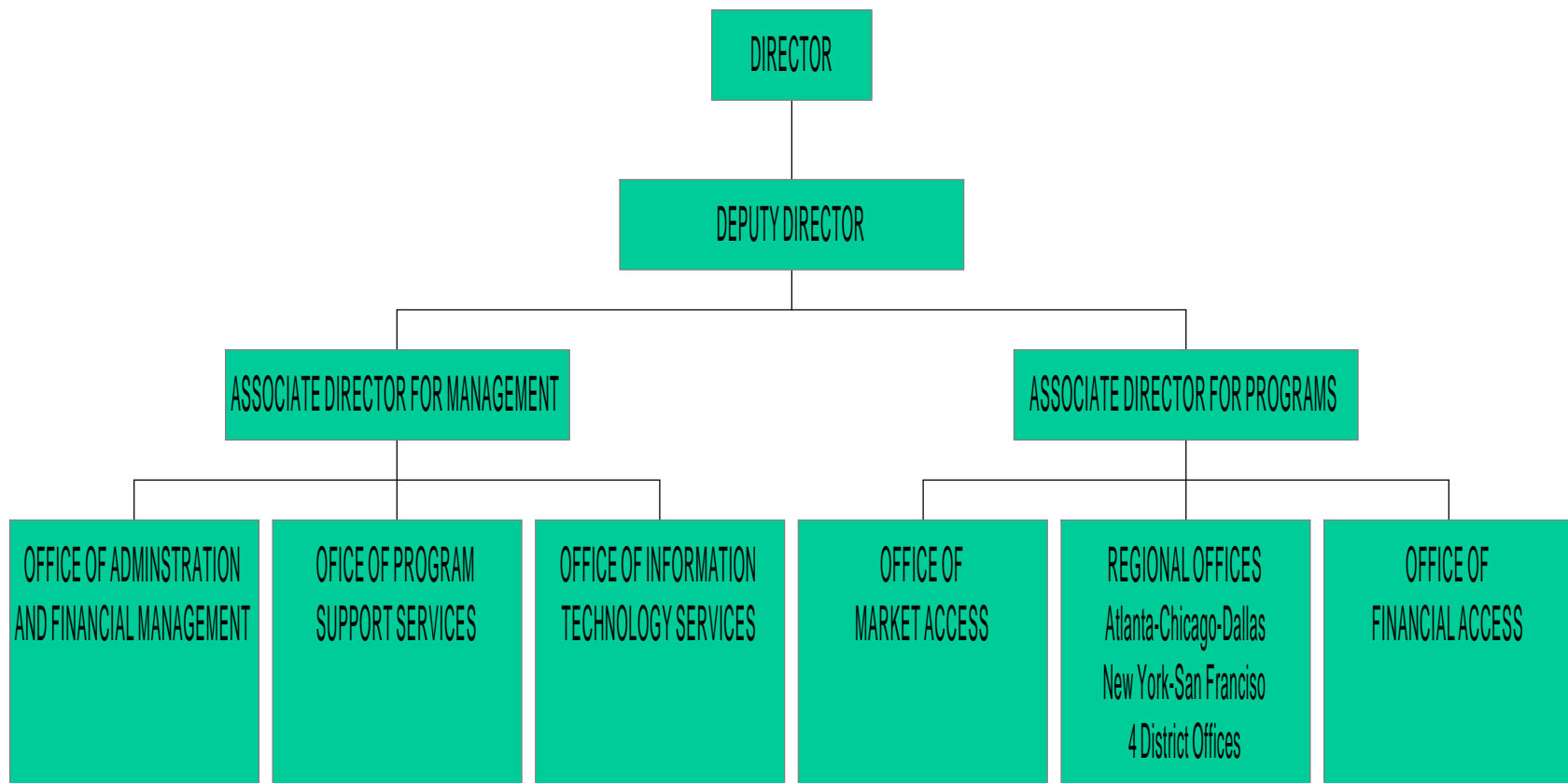


DEPARTMENT OF COMMERCE
MINORITY BUSINESS DEVELOPMENT AGENCY
Budget Estimates, Fiscal Year 2001
Congressional Submission

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U.S. DEPARTMENT OF COMMERCE MINORITY BUSINESS DEVELOPMENT AGENCY



**Department of Commerce
Minority Business Development Agency
Executive Summary**

Information is the foundation of all business transactions. In Fiscal Year 2001 the Minority Business Development Agency (MBDA) will continue its transition from a geographically constrained management and technical assistance provider to a comprehensive nationwide leader in digitally based business development information services. Revenues from the Internet economy have grown from \$5 billion in 1995 to \$301 billion in 1998. MBDA's new program focus will parallel the direction that the private and public sectors are taking in using the Internet to conduct business-to-business sales, business-to-government sales and sales to individuals over the Internet. The Internet is also a cost-effective way to deliver our services nationwide and make those services available to minority businesses twenty-four hours a day and seven days a week.

The Census Bureau is projecting that racial and ethnic minority groups will account for ninety percent of United States net population growth over the next fifty years. The total minority population in 1990 represented 24.3% of the United States total population and will increase to 47.2 % by the year 2050. MBDA's new approach to business development is in response to the digital economy and this demographic reality. These factors are causing the business environment to change. The emerging minority marketplace will provide new business opportunities and require new approaches to business development such as strategic alliances and joint ventures. There will also need to be a substantial increase in minority entrepreneurship in order for America to remain globally competitive. These demographic realities will require a new tool to measure this rapid growth. It is no longer good policy to rely on statistics about minority business that is collected only once every five years and is often dated by eight years. MBDA is working with Census Bureau to obtain data on an annual basis. This will provide timely and policy relevant information on the rapidly changing minority business and consumer market sectors.

The Internet will be used by minority businesses to access Agency services and it will be the national center for referral of minority-owned businesses of all sizes to the vast network of public and private resources. MBDA will continue to provide specialized access to markets and financial capital for firms seeking substantial growth opportunities. Management and technical assistance will be provided through MBDA's reduced network of traditional centers and by its' new concept of electronic commerce. MBDA will continue its' most prominent advocacy and education activity, the Minority Enterprise Development (MED) Week.

MBDA's long-term goal is to increase the total number minority-owned firms in the United States (US) and their size as measured by gross receipts and employment. According to Census Bureau statistics, the number of minority-owned firms increased 60% between 1987 and 1992. Yet minority businesses account for only 11 percent of total businesses and less than six percent of business receipts. While businesses of all size categories are important, we need to focus on growth firms that can compete in an era of contract bundling and strategic partnering. Electronic commerce and a willingness to engage in strategic alliances and joint ventures will be promoted in the minority community. MBDA's use of the Internet to deliver services will serve as a powerful message to minority businesses that they must adapt to electronic commerce techniques in order to survive and compete. The impact on the total number and size of firms are long term goals that will be accomplished by increasing the access to markets and financial capital and improving the quality and coverage of management and technical assistance.

In FY 2001, MBDA will expand automated matching of firm capabilities with opportunities, promote and expand opportunities in the global marketplace and identify and commercialize new technologies. Financial capital for expanding firms will continue to be addressed and management and technical assistance resources will be provided electronically in addition to MBDA's traditional network of business development centers, business resource centers and minority business opportunity committee.

Due to the constant change in the business environment, the movement toward a digital economy presents an opportunity for unparalleled growth. But it could also put minority firms at a competitive disadvantage if steps aren't taken to properly position these firms with appropriate resources. While there are many institutions at the Federal, state, local and private level currently providing some type of service to minority businesses, the national leadership of MBDA will serve as a catalyst to position minority firms to successfully operate in the business environment of the next century.

Implementation of these objectives will increase availability of business development resources for all minority-owned firms regardless of size, industry type or geographic location and facilitate the expansion of ready-to-grow firms in domestic, international and new technology growth markets. These objectives will have a direct impact on increasing the size of minority-owned firms and their contribution to U.S. productivity, employment and global competitiveness.

Program Increase Justification

MBDA's budget request for FY 2001 is \$28.2 million, which is a \$1 million increase over our FY 2000 budget request of \$27.2 million. This increase will be used to purchase electronic "value-added" services and expertise necessary to expand the Phoenix-Opportunity database by linking to local governments in approximately 40 locations.

Summary of Resources
(Dollar Amounts in Thousands)

	<u>FY 1999</u> <u>Amount</u>	<u>FY 2000</u> <u>Amount</u>	<u>FY 2001</u> <u>Amount</u>
Minority Business Development....	\$27,000	\$27,221	\$28,156

Summary of Performance
(Dollar Amount in Thousands)

Dollar value of contracts and financing for companies assisted by MBDA.....	\$1,300,000	\$1,350,000	\$1,400,000
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Department of Commerce
MINORITY BUSINESS DEVELOPMENT AGENCY
 Minority Business Development

Summary of Goals, Objectives and Performance Measures

DOC Strategic Theme	Bureau Goal	Bureau Objectives	Program	Outputs	Outcomes
Expand Economic Growth, Trade and Prosperity	Improve the opportunities for minority-owned businesses to have access to the marketplace and to financing	Provide electronic access to growth markets by automated matching of firm capabilities with public and private sector opportunities.	Electronic Access to Markets	# of Electronic Information Centers created	# of businesses assisted
			Business Development Geographic Information System	# of MBEs registered in databases	# of contracts awarded
			Global Market Access	# of resources identified	Dollar value of electronic contract opportunities
		Promote and expand opportunities for minority-owned businesses in the global marketplace.	New and Emerging Technology Transfer and Commercialization	# of Trade Missions	# and dollar value of electronically matched opportunities
				# of new technologies identified and commercialized	
		Assist minority-owned businesses to identify and commercialize new technologies that offer unique potential for business success.	Access to Capital	# of sources of financial capital identified	# of MOUs signed
			Electronic Management and Technical Assistance/Minority Business Development Centers	# of MBEs received M&TA electronically	Dollar value of financial sources identified to assist MBEs
		Increase the availability of financial capital for firms expanding into new or growing	Electronic Information Clearinghouse	# of Minority Business Development Centers	Dollar value of assistance
				# of youth retreats	

		<p>markets.</p> <p>Provide management and technical assistance resources electronically for use by local and state and non-profit organizations.</p>	<p>Electronic Commerce Advocacy</p> <p>Youth Entrepreneurship Advocacy</p> <p>Minority Business Opportunity Committees</p>	<p># of National MED Week event</p> <p># of Minority Business Opportunity Committees</p>	<p>Dollar value of contracts awarded</p> <p># of youth attended</p> <p># of attendees</p> <p>Dollar value of contracts awarded</p>
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Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PRIORITY RANKING OF 2001 PROGRAM CHANGES
 (Dollar amounts in thousands)

Rank	Page No.	Activity/Subactivity	Item		Personnel	Amount	Outlay
1	MBDA-34	Advocacy, Research & Information	Phoenix Database Expansion	Pos./BA FTE/Obl.	0	500	250
Total, program changes					0	500	250

Exhibit 5

Positions	FTE	Budget Authority	Direct Obligations
133	120	27,221	27,221
0	0	0	0
0	0	435	435
133	120	27,656	27,656
		500	500
133	120	28,156	28,156

			1999		2000		2001		2001		Increase/ (Decrease)	
			Actual		Currently Available		Base		Estimate		over 2001 Base	
<u>Comparison by activity:</u>			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
MBDA-16	Minority Business Development: Business Development	Pos./BA	51	16,127	51	16,313	51	16,570	51	16,570	0	0
		FTE/Obl.	36	16,742	46	18,209	46	16,570	46	16,570	0	0
MBDA-26	Advocacy, Research & Information	Pos./BA	82	10,873	82	10,908	82	11,086	82	11,586	0	500
		FTE/Obl.	60	11,666	74	12,140	74	11,086	74	11,586	0	500
	Total	Pos./BA	133	27,000	133	27,221	133	27,656	133	28,156	0	500
		FTE/Obl.	96	28,408	120	30,349	120	27,656	120	28,156	0	500
Adjustments to Obligations:												
	Recoveries		(3,680)									
	Unobligated Balance, SOY		(976)		(3,128)							
	Unobligated Balance, Transferred											
	Unobligated Balance, EOY		3,128									
	Unobligated Balance, Expiring		120									
Financing from transfers:												
	Transfer from other accounts											
	Transfer to other accounts											
Appropriation			27,000		27,221		27,656		28,156		500	

Exhibit 7

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 SUMMARY OF FINANCING
 (Dollar amounts in thousands)

	1999 Actual Amount	2000 Currently Available Amount	2001 Base Amount	2001 Estimate Amount	Increase/ Decrease Amount
Total Obligations	28,708	30,749	28,131	28,631	500
Financing:					
Offsetting collections from:					
Federal funds	(300)	(400)	(475)	(475)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(3,680)				
Unobligated balance, start of year	(976)	(3,128)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	3,128	0	0	0	0
Unobligated balance lapsing	120	0	0	0	0
Budget Authority	27,000	27,221	27,656	28,156	500
Transfer from other accounts (-)	0	0	0	0	0
Transfer to other accounts (+)	0	0	0	0	0
Appropriation	27,000	27,221	27,656	28,156	500

Department of Commerce
Minority Business Development Agency
Minority Business Development
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

Exhibit 8

	FTE	Amount
Transfer:		
Transfer to NIST/FARS for accounting		(68)
Working Capital Fund - Transfer to GA Security		(24)
2000 Pay Raise		106
2001 Pay Raise		207
Within-grade Step Increases		40
Change in Compensable Day		(26)
Civil Service Retirement System (CSRS)		1
Federal Employees Retirement System (FERS)		(1)
Thrift Savings Plan		0
Federal Insurance Contribution Act (FICA)		(1)
Health Insurance		49
Employees' Compensation Fund		(31)
Travel:		
Per Diem		4
Common Carrier		7
Rental Payments to GSA		33
GPO Printing		3
Executive Development and Leadership Training (SES 2000)		15
CAMS		44
Working Capital Fund		13
General Pricing Level Adjustment		64
Total, Adjustments to Base	0	527
Absorption of Adjustments to Base	0	0
Total, Adjustments to Base	0	435

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 JUSTIFICATION OF ADJUSTMENTS TO BASE
 (Dollar amounts in thousands)

Object Class -----	FTE -----	Amount -----
Transfer:		
Transfer to NIST/FARS for accounting.....	0	(68)
Transfer to General Administration for security costs.....	0	(24)
2000 Pay Raise.....	0	106
The 2000 President's budget assumes a pay raise of 4.4% to be effective on January 3, 2000.		
Total cost in 2001 of 2000 pay increase.....		317,000
Less amount funded in 2000.....		(211,000)
Less amount absorbed.....		0

Amount requested in 2001 to provide cost of 2000 pay increase.....		106,000
2001 Pay Raise.....	0	207
A general pay raise of 3.7% is assumed to be effective January 2, 2001.		
The cost in 2001 of pay increase.....		188,000
Payment to Working Capital Fund.....		19,000

Total, adjustment for 2001 pay increase.....		207,000
Change in Compensable Days.....	0	(26)
The savings of one less compensable day in 2001 compared to 2000 is calculated by dividing the 2000 estimated personnel compensation (\$6,008,000) and applicable benefits (\$788,000) by 261 compensable days. The cost of one less compensable day is (\$26,038).		

Within-grade step increases.....	0	40
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An increase of \$40,392 is required to cover the cost of within-grade increases. This estimate reflects the net cost of step increases which will be earned in 2001.

Estimated number of within-grade step increases.....	37
Step increases not earned due to turnover (11.8% x 37).....	4
Average step above step 1 per separation.....	3
Average cost per within-grade step increase.....	\$1,425
Gross cost of scheduled step increases (\$1,425 x 37).....	\$52,725
Less savings due to separations (\$1,425 x 4 x 3).....	(17,100)
Subtotal, Personnel Compensation.....	35,625
Personnel Benefits.....	4,767
Total adjustment to base.....	\$40,392

Civil Service Retirement System (CSRS).....	0	1
---	---	---

The number of employees covered by CSRS continues to increase. The estimated percentage of payroll for employees covered by CSRS will increase from 66.10% in 2000 to 66.3% in 2001. The contribution rates will remain the same.

2001	\$6,008,000 x .663 x .0851.....	338,979
2000	\$6,008,000 x .661 x .0851.....	337,957
Total adjustment-to-base.....		\$1,022

Federal Employees Retirement System (FERS).....	0	(1)
---	---	-----

The number of employees covered by FERS will decrease . The estimated percentage of payroll for employees covered FERS will decrease from 33.90% in 2000 to 33.70% in 2001. The contribution rate will remain 10.7% in 2001.

2001	\$6,008,000 x .3370 x .107.....	\$216,642
------	---------------------------------	-----------

2000	\$6,008,000 x .339 x .107.....	217,928		
	Total adjustment-to-base.....	(1,286)		
Federal Insurance Contribution Act (FICA).....		0	(1)	
<p>The estimated percentage of payroll for employees covered by FERS will decrease from 33.90% to 33.7% in 2001. In addition, the maximum salary subject to OASDI tax will rise from \$73,275 to \$78,450 in 2001. The OASDI tax rate will remain 6.20% in 2001.</p>				
Regular:				
2001	\$6,008,000 x .337 x .912 x .062.....	114,484		
2000	\$6,008,000 x .339 x .915 x .062.....	115,543		
	Subtotal	(1,059)		
Other Salaries:				
2001	\$45,000 x .337 x .912 x .062.....	857		
2000	\$45,000 x .339 x .915 x .062.....	865		
	Subtotal	(8)		
	Total adjustment-to-base	(1,067)		
Health Insurance.....		0	49	
<p>Effective January 2000, MBDA's contribution to Federal employees' health insurance premiums increased by 15.5%. This percentage was applied to the 2000 estimate of \$317,000 to arrive at a increase of \$49,135.</p>				
Employee' Compensation Fund				
<p>The Employee's compensation fund bill for the year ending June 30, 1999, is \$31,000 lower than the bill for the year ending June 30, 1998. The charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.</p>				
		0	(31)	
Per diem increase.....		0	4	

Effective January 1, 1999, the General Services Administration raised per diem rates. This increase results in a 3.4% increase to MBDA. This percentage was applied to the 2000 estimate of \$106,000 to arrive at an increase of \$3,570.

Common Carrier.....	0	7
An additional \$7,000 is requested to cover the cost of purchasing airline tickets in contracting with a travel agency under the new method.		
Rental Payments to GSA.....	0	33
GSA rates are projected to increase 2.1% in 2001. This percentage was applied to the 2000 estimate of \$1,585,000 to arrive at an increase of \$33,285.		
GPO Printing.....	0	3
GPO has provided an estimated rate increase of 3.3%. This percentage was applied to the 2000 estimate of \$105,000 to arrive at an increase of \$3,465.		
Executive Development and Leadership Training.....	0	15
Consistent with the Department's SES 2000 plan, an increase of \$5,000 for each currently onboard SES position is required.		
Working Capital Fund.....	0	13
An additional amount of \$13,000 is required to fund cost increases in the Departmental Working Capital Fund.		
Commerce Administrative Management System (CAMS).....	0	44
The ATB is for \$44,000 to provide this bureau's portion of shared costs for the continued development and implementation of a Department-wide Commerce Administrative System.		

General Pricing Level Adjustment.....	0	64
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This request applies OMB economic assumptions for FY 2001 to subobject classes where the prices that the government pays are established through the market system. Factors are applied to communications, utilities, and miscellaneous charges (excluding postage & FTS 2000) (\$1,080); other services (\$58,845); supplies and materials (\$1,215) and equipment (\$3,300).

Total Other Changes	0	527
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Less: Adjustments to Base Absorbed.....	0	0
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Total FY 2001 Adjustments to Base and Built-in-Changes.....	0	435
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Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Minority Business Development
 Subactivity: Business Development

		1999 Actual		2000 Currently Available		2001 Base		2001 Estimate		Increase/ (Decrease) over 2001 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Business Development	Pos./BA	51	16,172	51	16,313	51	16,570	51	16,570	0	0
	FTE/Obl.	36	16,742	46	18,209	46	16,570	46	16,570	0	0
Total	Pos./BA	51	16,172	51	16,313	51	16,570	51	16,570	0	0
	FTE/Obl.	36	16,742	46	18,209	46	16,570	46	16,570	0	0

[illegible]

Department of Commerce
Minority Business Development Agency
Minority Business Development
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Minority Business Development
Subactivity: Business Development (\$16,570 – 46 FTE)

Goal and Objectives

Goals

Improve opportunities for minority-owned businesses to have access to marketplace.

Improve the opportunities for minority-owned businesses to pursue financing.

Objectives:

- Establish an electronic information clearinghouse of growth opportunities and business development resources for minority-owned businesses and those engaged in business development activities.
- Advocate and increase the use of electronic commerce by minority-owned businesses.

- Provide electronic access to growth markets by automated matching of firm capabilities with public and private sector opportunities.
- Promote and expand opportunities for minority-owned businesses in the global marketplace.
- Assist minority-owned businesses to identify and commercialize new technologies that offer unique potential for business success.
- Increase the availability of financial capital for firms expanding into new or growing markets.
- Provide management and technical assistance resources electronically for use by local and state and non-profit organizations.

Base Program

Minority Business Development Agency (MBDA) has provided business development services to the minority business community, a tradition for more than 32 years. MBDA develops policy and designs programs to increase minority business participation in the national and global economy. Currently, MBDA is reacting to 1992 Census data that reflect 11% of the total number of United States (US) firms that are minority and generate only 6% of total business receipts. MBDA is working with Census to obtain data on an annual basis. This will allow MBDA to provide a more current basis will position MBDA to provide business development services based on current trends and future outlook.

The provision of business development services addresses the need to start, maintain and expand businesses in efforts that go beyond the historical focus on increased penetration of the Federal Government marketplace. The focus is to impact the total number minority-owned firms in the United States (US) and their earning potential. According to Census Bureau statistics, the number of minority-owned firms increased 60% between 1987 and 1992 and yet, the total number of minority business compared to the total number of businesses in the US is only 11%.

In the not so distance past, MBDA carried out its' mission through the use of Minority Business Development Centers (MBDCs), Minority Business Opportunity Centers (MBOCs), its private sector and advocacy programs. During the budget crisis of the mid 90s, these programs were drastically reduced resulting in the agency's development and

implementation of a new concept of providing business development services. This new concept is based on information.

MBDA's new way of providing business development services includes the use of electronic tools. The merger of these tools with the traditional ways of providing business development services at less cost and greater effectiveness and efficiency of operations maximizes the use of limited resources. Limited resources dictated the development of the new concept, the rapid changes in population and business demographic necessitated the implementation of the concept.

The Internet is the vehicle used in the delivery of business development services which include information dissemination, management and technical assistance, Virtual Business Centers and Geographic Business Information System (GBIS). The Internet will be used for the creation of an information clearinghouse and national center for referral of minority-owned businesses of all sizes to the vast network of public and private business development resources. MBDA will continue to provide specialized access to markets and electronic matching of firms with market opportunities.

The future growth of minority-owned businesses is dependent on access to growth markets and access to the types of resources necessary to penetrate those markets. MBDA has broadening its reach to the minority business community through electronic commerce by promoting and providing information systems that assist minority businesses in these areas.

However, in order for minority businesses to become more competitive in today's new and changing business environment, they must understand the factors that are causing the change. One of those factors is the rapid demographic change in the population. The total minority population in 1990 represented 24.3% of the US total population. Based on Census projections, in less than 50 years, the minority population will reach 47.2 percent. This is a tremendous change. Another change is the digital and global economies where computerized information and the global marketplace offer growth potential in many areas for all businesses. Electronic commerce and a willingness to engage in strategic alliances are a part of the change. Electronic commerce is a vast business opportunity for many businesses. Judicial decisions such as Adarand and new procurement techniques such as bundling limit the Federal marketplace as a business opportunity. There are, however, a large number of Federal contracts but the amount of the contracts averages \$192 thousands. Business transactions are larger and there are more consolidations from mergers, and acquisitions.

Global Market Access

MBDA will continue to partner with the International Trade Administration (ITA), other trade institutions, and the minority business community to promote and expand opportunities for minority firms in the global marketplace. MBDA will accomplish this through a series of activities that are designed to take advantage of the historical, cultural and language affinities that provide natural competitive benefits to minority businesses with countries in Africa, Latin America and Asia.

With the trend toward larger business transactions, MBDA will continue to develop strategic alliances, especially with United States Agency for International Development (USAID) to involve minority firms in large-scale global projects. The Phoenix database is used to register minority businesses with exporting capabilities.

To enhance minority business status in the international community, MBDA will share policy guidance and operating experiences of U.S. based minority business development programs with government, academic and business leaders in emerging countries seeking to overcome long-standing economic disparities, thereby increasing the opportunities in the international arena for minority businesses. This information will be shared over the Internet and published in report form.

Business Development Geographic Information System

Information is the foundation of all business transactions. MBDA is using state-of-the-art Geographic Business Information Systems (GBIS) software to deliver market research technology for minority firms via the Internet. This technology will be used to: a) (Resource Locator) electronically identify the network of public and private business assistance resources available within the user's local market; and b) (Market Analyst) conduct comprehensive market research for purposes of developing effective strategies for market penetration. This innovative technological approach will provide timely and cost effective information to entrepreneurs to solve business problems.

Any business having access to the Internet can search for business development resources by selecting the type of resource they need and simply clicking on a map. MBDA's new GBIS will bring much-needed clarity to the intricate and often frustrating web of available government resources, thereby substantially reducing the time and costs typically associated with locating available government assistance. This user friendly software will easily identify resources that are within a short driving distance of the firm, or if the firm desires, at any other geographic location throughout the country. In many cases it will identify resources that a firm would never have found using traditional manual search techniques.

New and Emerging Technology Transfer and Commercialization

MBDA's plan include assisting minority firms in identifying and commercializing new technologies that offer unique potential for business success. MBDA will continue to assist minority inventors to commercialize their ideas by providing access to information and potential investors through seminars, outreach and workshop co-sponsored by Patent and Trademark Office (PTO), National Institute of Standards and Technology (NIST), National Telecommunications and Information Administration (NTIA), technology trade groups, colleges, universities and others. MBDA also plans to develop mechanisms for technology transfer from Federal facilities to minority businesses and minority educational institutions. To facilitate this transfer MBDA will develop partnerships with Historically Black Colleges and Universities, Hispanic Serving Institutions, American Indian Serving Educational Institutions and Federal agencies such as NIST and National Oceanic and Atmospheric Administration (NOAA) to promote the development and commercialization of new technologies. An example of this type of partnership is in the field of aquaculture where MBDA is working with NOAA to transfer Federal and private research about this industry to minority educational institutions.

MBDA will also identify and assemble resources (i.e., finance, marketing, operations) necessary to assist minority firms in developing viable commercial strategies from new and emerging technologies. In particular, MBDA will partner with Economic Development Administration (EDA) to move minority firms into their high technology business incubators.

Access to Capital

Capital access programs for minority business development have historically focused on debt capital guarantee programs of the Federal Government. There is a much greater need for capital. The Milken Institute recently estimated that the capital demands of minority businesses are in excess of \$144 billion per year, consisting of approximately \$1 billion in equity capital and \$143 billion in debt financing. However, current estimates are that less than \$20 billion in debt financing has been made to minority businesses by commercial banks. Minority businesses continue to have difficulty obtaining capital through the commercial markets.

MBDA is addressing the need by working with the Small Business Administration (SBA) and EDA to provide access to their loan guarantee programs. In addition, MBDA facilitates access to the types of capital required by firms seeking substantial growth. MBDA has taken steps to provide access to larger financial capital resources, which go beyond traditional government, sponsored bank loans.

MBDA is also exploring other ways of systemically improving capital flow to minority businesses. One of the primary methods to do this is to create a secondary market for minority and small business loans. This will provide a vehicle for banks and other financial institutions lending in the minority business community to sell off their loans and replenish their pools of capital. This method of securitization will increase pools of capital for minority businesses and will increase the focus on lending to their currently under-served markets. The impact of this method of financing will occur within a year.

This will provide sufficient time to complete and market a successful securitization program and to begin the process of educating the financial markets about the possibilities of this type of product. Within 2-3 years, MBDA expects to see a significant increase in the loans made to minority businesses. Another activity that could benefit from a successful securitization program is the 8(a) program. Participants, nearing graduation from the 8(a) program and seeking entry into more diversified markets in the public and private sectors, would have access to needed capital and markets.

MBDA plans to develop an automated database of public and private financial capital resources that will be housed in our new information clearinghouse. This database will be accessible through the Internet and constructed in a user-friendly manner so those firms can search for capital resources according to type of capital needed and geographic location.

Strategic Alliances

MBDA will promote and facilitate the creation of strategic alliances and joint ventures among minority businesses to participate in large-scale business transactions. This is a practical and necessary solution to new market forces of contract bundling and mass marketing. Generally, minority-owned firms do not possess the size and resources necessary to take advantage of these business deals. There is some resistance to strategic alliances because of cultural factors, but MBDA has had success in using its leadership to overcome this resistance. MBDA will take a more active role in developing alliances such as the Retired Military Officers Association, which is the first African American IBM distributorship.

Electronic Management and Technical Assistance Resources

In addition to what MBDA is already doing through its network of business development and business resources centers, MBDA will also provide management and technical assistance services through a virtual network. This will allow MBDA to extend its geographic reach to all parts of the country, whether rural or urban.

MBDA will provide management and technical assistance resources electronically for use by local and state and non-profit business assistance provider organizations. For basic start-up and low growth firms MBDA will create a partnership electronic referral network where firms can take advantage of existing management and technical assistance services provided by MBDA's network, state and local governments, SBA, educational institutions and others.

MBDA will strengthen its traditional network of Business Development Centers by creating Internet-based One-Stop Business Centers to extend services to every community in the United States and provide a higher level of expertise and information, particularly in new and emerging technologies and industries that have substantial market growth potential. Each center will focus on a particular growth market or industry and contain information necessary to penetrate that market. Prototype One-Stop Centers have been developed for franchising and for Aquaculture, which is the fastest growing segment of the agriculture sector. Other centers that have been tested and are ready for implementation are for International Trade, Financial Capital, and Manufacturing Technology.

The information content of each center has been researched and is available to businesses in solving long range and day to day problems. Each center is Website accessible through MBDA's Internet home page, www.mbda.gov. Each center has hotlinks to resources and markets that have been identified as useful to minority businesses. The centers are also integrated with the MBDA Geographic Business Information System (GBIS), so that firms can easily locate information and resources in their local marketplace. The information content of each center will be updated on a regular basis to ensure its accuracy and relevancy.

Management and technical assistance services will also be provided through our traditional Minority Business Development Centers (MBDCs), Native American Business Development Centers (NABDC) and Business Resources Centers . But the quality of their services will improve by having complete access to MBDA's new electronic information network.

The traditional business development services include the MBDCs and NABDCs. These centers are funded to provide one-on-one management and technical assistance to minority businesses and prospective business owners with the objective of starting a new business or growing an existing business. MBDA is dependent upon these centers along with BRCs and the MBOCs to achieve its program goals and objectives.

The BRC program is an economy act agreement between MBDA, the Small Business Administration and NationsBank and other private sector institutions to provide information and other business development assistance to minority business owners. MBOCs are intergovernmental entities funded by agreements between MBDA and federal, state and

local governments. They provide assistance to the minority business communication in such areas as capital development, business ownership opportunities, business and economic development, contract opportunities, business education and youth entrepreneurship. MBDA's programs including the traditional program concept with the MBDCs and MBOCs are projected to assist minority businesses in obtaining more than two billion dollars in contracts and loans.

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Minority Business Development
 Subactivity: Advocacy, Research & Information

		1999 Actual		2000 Currently Available		2001 Base		2001 Estimate		Increase/ (Decrease) over 2001 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Advocacy, Research & Information	Pos./BA	82	10,873	82	10,908	82	11,086	82	11,586	0	500
	FTE/Obl.	60	11,666	74	12,140	74	11,086	74	11,586	0	500
Total	Pos./BA	82	10,873	82	10,908	82	11,086	82	11,586	0	500
	FTE/Obl.	60	11,666	74	12,140	74	11,086	74	11,586	0	500

Department of Commerce
Minority Business Development Agency
Minority Business Development
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Minority Business Development

Subactivity: Advocacy, Research and Information (\$11,086 - 74 FTE)

Goal and Objectives

Goal

Improve opportunities for minority-owned businesses to pursue financing.

Objectives:

- Provide electronic access to growth markets by automated matching of firm capabilities with public and private sector opportunities.
- Promote and expand opportunities for minority-owned businesses in the global marketplace.
- Assist minority-owned businesses to identify and commercialize new technologies that offer unique potential for business success.
- Increase the availability of financial capital for firms expanding into new or growing markets.
- Provide management and technical assistance resources electronically for use by local and state and non-profit organizations.

Goal

Improve opportunities for minority-owned businesses to have access to the marketplace.

Objectives:

- Establish an electronic information clearinghouse of growth opportunities and business development resources for minority-owned businesses and those engaged in business development activities.
- Advocate and increase the use of electronic commerce by minority-owned businesses.

Base Program

The advocacy, research and information function supports the development and operation of the delivery of services and provides policy direction to key initiatives. In addition to the support functions advocacy activities traditionally performed at MBDA, electronic commerce is also included. MBDA advocates that minority business is good business and that government and private support thereof, ensures and enhances long-term economic opportunity and a rising standard of living for all Americans.

The most prominent traditional advocacy activity has been the Minority Enterprise Development (MED) Week event. Since 1982, this annual event has been held throughout the country during the fall of each year. MED Week recognizes the achievements of minority entrepreneurs and the corporate and government groups that support them. At local MED Week events, businesses are nominated for regional and national honors. The local events culminate in the National MED Week event held in Washington, DC in September. National MED Week attracts 1,000 participants to the Washington Area, annually.

MED Week promotes business growth through a variety of networking opportunities and constitutes a forum that allows minority businesses to: (1) participate in workshops and seminars on issues of importance to the minority business community; (2) gather information about available business opportunities; (3) network with governmental and private sector purchasing officials; (4) market their goods and services through the purchase of exhibit booths; and (5) receive Congressional and Presidential recognition for significant achievements. MBDA will continue this forum for advocating

on behalf of the minority business community. MBDA partners with the Small Business Administration (SBA) and the private sector to produce this event.

Electronic Commerce Advocacy

The movement toward a digital economy must be promoted within the minority community. MBDA sponsored a series of workshops and seminars that began in FY 1999 to educate minority firms and organizations informing them about the importance of electronic commerce. The Agency has sponsored a course jointly developed by NIST/MBDA for minority business executives on electronic commerce in FY 1999. MBDA will continue to research and evaluate the extent to which minority businesses are involved in electronic commerce, their usage patterns over time and any existing impediments to full participation in the digital economy. MBDA will also evaluate the existing resources available at both the national and local levels and develop a strategy for partnerships and/or co-sponsorships with these organizations to promote electronic commerce. To emphasize the importance of this project at the local level, MBDA will include a requirement for electronic commerce advocacy in the evaluation criteria of our business development and business resource centers.

Youth Entrepreneurship Advocacy

MBDA's youth initiative in FY 1999 included several two-day retreats for more than 1,000 students. This activity was a very positive step toward maintaining the youth entrepreneurship initiative. MBDA will continue to assist, encourage and expose minority youth to the world of business ownership. By planting the seed of entrepreneurship in minority youth between the ages of 14-18, they are given a choice as to what will be the best course to pursue after college.

Based on financial resources, MBDA will continue to sponsor retreats focusing on educating, identifying and addressing the business concerns of minority youth. Almost without exception, the major objective of this program is to cultivate the entrepreneurial spirit in minority youth, and make them aware of business ownership as an attainable goal. The retreats will combine a classroom curriculum with hands-on, practical experiences, which make business skills enjoyable to learn.

Electronic Information Clearinghouse

MBDA will establish an electronic information clearinghouse that will allow minority-owned businesses to have access to new technologies and emerging industries, domestic and international market opportunities, market trends, industry studies and business market leads. The clearinghouse will have an automated listing of resources for minority

businesses to link into financial resources available at the Federal, state and local governments and will have links to private sector resources that have been developed by MBDA, including traditional and non-traditional sources of capital and specialized “niche” lenders for trade finance, venture capital, etc.

The information clearinghouse will operate in partnership with the National Technical Information Service (NTIS) to develop a library of research and other reports on minority business. The partnership with NTIS will permit users to order these documents on-line via credit card. As part of this partnership, we will encourage the production of privately funded research on issues related to minority business development and compile such research and reports for dissemination.

Electronic Access to Markets

MBDA's Phoenix and Opportunity databases electronically match minority business capabilities with contract and other opportunities. The Phoenix Database will consist of minority-owned firms that register their capabilities online through the MBDA website. The Opportunity Database will permit any individual or institution to register procurement opportunities online. The system will automatically match firms with opportunities and provide follow-up tracking; and it will be fully compliant with requirements of the Government Performance and Results Act to measure outcome. MBDA will provide outreach, training and customer service initiatives designed to encourage minority-owned firms to actively participate in electronic commerce. Strategies to continue the population of the system include: conducting workshops and seminars for minority companies and providing direct linkages to electronic commerce through Business Development Centers, Minority Business Opportunity Committees and Business Resource Centers. For example, MBDA and the National Institutes of Standards and Technology (NIST) have partnered and sponsored training courses for minority executives in electronic commerce.

The Phoenix and Opportunity databases were made operational in FY 1998 and will be populated with over 35,000 firms in FY 1999 and more than 70,000 firms in FY 2000 and approximately 290,000 firms by year 2001. In FY 1998, MBDA started collecting market opportunities from public and private sources. These opportunities were matched automatically to qualified minority businesses in Phoenix databases.

MBDA will also use these databases to broker relationships among minority businesses seeking to enter partnerships, joint ventures and other strategic alliances in order to enhance their capability to conduct the type of large scale business transactions that are becoming more prevalent with private and public sector organizations.

Department of Commerce
MINORITY BUSINESS DEVELOPMENT AGENCY
Summary of Goals, Objectives and Performance Measures
(dollars in millions except where otherwise noted)

Output	FY 1999 (Estimated)	FY 2000 (Estimated)	FY 2001 (Estimated)	Outcomes	FY 1999 (Estimated)	FY 2000 (Estimated)	FY 2001 (Estimated)
1) # of Electronic Information Centers	N/A	1	1	# of businesses assisted	8,453	10,989	11,500
2) # of projects awarded	45	45	45	# of contracts awarded	884	1,149	1,200
				Dollar value of contracts awarded	\$548M	\$712M	\$750M
3) # of projects monitored	45	45	45	# of matched opportunities	1,000	2,536	3,000
				# of contracts approved elect.	600	780	800
				# of loans approved	858	858	925
				Dollar value of loans and loan packages approved	\$706M	\$900M	\$1,000B
4) # of MBEs registered	35,000	70,000	290,000	Dollar value of matched opportunities	\$20M	\$164M	\$200M
5) # of Internet-based One Stop Centers	5	5	5	# of businesses provided information elect.	N/A	5,000	15,000
6) # of trade missions	7	7	7	Dollar value obtained from trade mission	\$10M	\$10M	\$15M
7) # of export ready MBEs registered	N/A	150	300	# of export MBEs referred to trade missions	7	10	15

Department of Commerce
MINORITY BUSINESS DEVELOPMENT AGENCY
Summary of Goals, Objectives and Performance Measures
(dollars in millions except where otherwise noted)

<u>Output</u>	FY 1999 (Estimated)	FY 2000 (Estimated)	FY 2001 (Estimated)	<u>Outcomes</u>	FY 1999 (Estimated)	FY 2000 (Estimated)	FY 2001 (Estimated)
8) # of public and private financial capital resources listed in database	N/A	15	25	Dollar value of MBOC Contracts	\$1,000B	\$1,000B	\$1,000B
9) # of national events	1	1	1	# of participants	1,200	1,300	1,500

Performance Measures	FY 1999	FY 2000	FY 2001
Minority Business Development			
Total dollar value of contracts awarded and financing obtained for assisted companies (except MBOCs).....	\$948M	\$948M	950M
Number of contracts awarded	858	1,149	1,200
Number of businesses assisted	9,419	10,989	11,500
Dollar value of MBOC Contracts Awarded	\$1,000	\$1,000B	1,000B

Exhibit 13

Department of Commerce
 Minority Business Development Agency
 Phoenix Database Expansion
 INCREASE FOR 2001
 (Dollar amounts in thousands)

		<u>2001 Base</u>		<u>2001 Estimate</u>		<u>Increase</u>	
		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Phoenix Database Expansion	Pos./BA	0	\$ 1,000	0	\$ 1,500	0	\$ 500
	FTE/Obl.	0	\$ 1,000	0	\$ 1,500	0	\$ 500

MBDA is requesting \$500 thousand to expand and maintain the Phoenix databases. The databases are essential to the agency in providing information in assisting minority businesses and accumulating performance results. A description and a comparison of the activity are highlighted to show the importance.

Phoenix – The Phoenix database, located at www.mbda.gov is a free on-line service for minority vendors that incorporates features for automatically matching minority companies with contract opportunities. The system enables any minority company to register using the Internet. After registration is complete, the company is issued an ID and password enabling them to update their “profile” at will. Additionally, it will be the electronic gateway to other websites that can link minority businesses, policy makers and business development practitioners to statistical information, news events, resources and market opportunities that are essential for business growth.

The Phoenix database continues to expand to accommodate an increasing number of minority businesses. Currently, any minority business can register over the Internet. MBDA also purchases a list of minority businesses from Dun and Bradstreet. This process has enabled MBDA to accumulate approximately 40,000 businesses in the United States, an improved method to collect this information is needed.

Although other databases are available that would enhance the outreach of MBDA programs through Phoenix, these databases do not contain vital electronic mail addresses necessary for effective and efficient communication of contract and other opportunities. Based on this need for electronic address-enhanced records, MBDA proposes to acquire another 250,000 names from assorted databases of minority businesses from state and local governments. These databases will be enhanced using MBDA's in-house computer program designed to permit data entry personnel in 5 regional offices to call and confirm information from these businesses and update the records with electronic mail addresses. The estimated cost for this upgrade is approximately \$2.00 per record.

Additionally, it will be the electronic gateway to other websites that can link minority businesses, policy makers and business development practitioners to statistical information, news events, resources and market opportunities that are essential for business growth.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Cost:					
Capitalized	0	0	0	0	0
Uncapitalized	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
Budget Authority	500	0	0	0	0
Outlays	250	220	30	0	0

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 PROGRAM CHANGE DETAIL BY OBJECT CLASS
 (Dollar amounts in thousands)

Exhibit 15

Activity:	Minority Business Development	2001
Subactivity:	Advocacy, Research and Information	Increase/
Object Class		<u>(Decrease)</u>
11	Personal compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	0
11.8	Special personnel services payments	<u> </u>
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	
13	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payment to others	
23.3	Commun., util., misc. charges	
24	Printing and reproduction	
25.1	Advisory and assistance services	
25.2	Other services	450
25.3	Purchases of goods and services from Government accounts	
25.4	Operations and maintenance of facilities	
25.5	Research and development contracts	
25.6	Medical care	
25.7	Operation and maintenance of equipment	
25.8	Subsistence and support of persons	
26	Supplies and materials	
31	Equipment	50
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	Total obligations	<u>500</u>

Department of Commerce
Minority Business Development Agency
Minority Business Development
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 16

Object Class		1999 Actual	2000 Currently Available	2001 Base	2001 Estimate	Increase / (Decrease)
11	Personal compensation					
11.1	Full-time permanent	5,668	6,008	6,335	6,335	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	44	45	45	45	0
11.8	Special personnel services payments	0	0	0	0	0
11.9	Total personnel compensation	5,712	6,053	6,380	6,380	0
12.1	Civilian personnel benefits	1,170	1,211	1,228	1,228	0
13	Benefits for former personnel	0	0	0	0	0
21	Travel and transportation of persons	289	295	306	306	0
22	Transportation of things	15	13	13	13	0
23.1	Rental payments to GSA	1,493	1,585	1,618	1,618	0
23.2	Rental payment to others	13	13	13	13	0
23.3	Commun., util., misc. charges	201	218	219	219	0
24	Printing and reproduction	93	105	108	108	0
25.1	Advisory and assistance services	103	250	250	250	0
25.2	Other services	4,557	3,448	3,401	3,851	450
25.3	Purchases of goods and services from Government accounts	1,070	1,426	1,343	1,343	0
25.4	Operations and maintenance of facilities	0	0	0	0	0
25.5	Research and development contracts	0	0	0	0	0
25.6	Medical care	0	0	0	0	0
25.7	Operation and maintenance of equipment	101	111	111	111	0
25.8	Subsistence and support of persons	0	51	51	51	0
26	Supplies and materials	81	81	82	82	0
31	Equipment	212	220	223	273	50
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	15,570	12,141	12,310	12,310	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99	Total obligations	30,680	27,221	27,656	28,156	500

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 SUMMARY OF REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Object Class	1999 Estimate	2000 President's Budget	2001 Base	2001 Estimate	Increase / (Decrease)
Less: Obligations from prior year	(3,680)				
Total Budget Authority	27,000	27,221	27,656	28,156	500
Personnel Data					
Full-Time Equivalent Employment:					
Full-time permanent	95	119	119	119	0
Other than full-time permanent	1	1	1	1	0
Total	96	120	120	120	0
Authorized Positions:					
Full-time permanent	129	129	129	129	0
Other than full-time permanent	4	4	4	4	0
Total	133	133	133	133	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		2001 Adjustment to Base	2001 Base	2001 Estimate	Increase / (Decrease)
11	Personal compensation				
11.1	Full-time permanent				
	Executive level				
	Senior executive service	24	495	495	0
	General schedule	303	5,840	5,840	0
	Commissioned officers	0	0	0	0
	Wage board/wage marine	0	0	0	0
	Scientific & professional (P.L. 80-313)	0	0	0	0
	Examiners of patent appeals (P.L. 82-593, 98-622)	0	0	0	0
	Examiners of trademark appeals (P.L. 98-622)	0	0	0	0
	Senior foreign service	0	0	0	0
	Foreign service staff	0	0	0	0
	Foreign service nationals	0	0	0	0
	Consultants & experts	0	0	0	0
	Students	0	0	0	0
	[Law enforcement]	0	0	0	0
	Subtotal	327	6,335	6,335	0
11.3	Other than full-time permanent				
	General schedule	0	0	0	0
	Wage board	0	0	0	0
	Experts & consultants	0	0	0	0
	Hourly	0	0	0	0
	Subtotal	0	0	0	0
11.5	Other personnel compensation				
	Overtime	0	25	25	0
	SES performance awards	0	0	0	0
	Cash awards	0	0	0	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		2001 Adjustment to Base	2001 Base	2001 Estimate	Increase / (Decrease)
	Merit pay awards	0	0	0	0
	Other	0	20	20	0
	Subtotal	0	45	45	0
11.8	Special personnel services payments				
	Foreign service officers (State)	0	0	0	0
	Other	0	0	0	0
	Subtotal	0	0	0	0
11.9	Total personnel compensation	327	6,380	6,380	0
12.1	Civilian personnel benefits				
	Civil service retirement	1	356	356	0
	Federal employees' retirement	(1)	221	221	0
	Thrift savings plan	0	35	35	0
	Federal insurance contribution act	(1)	167	167	0
	Health insurance	49	366	366	0
	Life insurance	0	8	8	0
	Employees' compensation fund	(31)	88	88	0
	Civil service retirement and disability fund	0	(13)	(13)	0
	Subtotal	17	1,228	1,228	0
13	Benefits for former personnel				
	Severance pay	0	0	0	0
	Unemployment compensation	0	0	0	0
	Other	0	0	0	0
	Subtotal	0	0	0	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		2001 Adjustment to Base	2001 Base	2001 Estimate	Increase / (Decrease)
21	Travel and transportation of persons				
	Common carrier	7	155	155	0
	Mileage	0	31	31	0
	Per diem/actual	4	110	110	0
	Vehicular	0	10	10	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	11	306	306	0
22	Transportation of things	0	13	13	0
	[Overseas estimates]				
23.1	Rental payments to GSA	33	1,618	1,618	0
23.2	Rental payment to others	0	13	13	0
23.3	Commun., util., misc. charges				
	Rental of ADP equipment	0	0	0	0
	Rental of office copying equipment	0	0	0	0
	Other equipment rental	1	7	7	0
	Federal telecommunications systems	0	79	79	0
	Other telecommunications services	0	66	66	0
	Postal Service by USPS	0	67	67	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	1	219	219	0

Department of Commerce
Minority Business Development Agency
Minority Business Development
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		2001 Adjustment to Base	2001 Base	2001 Estimate	Increase / (Decrease)
24	Printing and reproduction				
	Publications	0	34	34	0
	Public use forms	0	6	6	0
	Envelopes	0	2	2	0
	Other	3	66	66	0
	[Payments to GA, WCF]	0	[88]	[88]	0
	[Overseas estimates]	0	0	0	0
	Subtotal	3	108	108	0
25.1	Advisory and assistance services	0	0	0	0
	Management & professional support services	0	250	250	0
	Studies, analyses, & evaluation	0	0	0	0
	Engineering & technical services	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	0	250	250	0
25.2	Other services				
	Training:				
	University	0	9	9	0
	Other	17	67	67	0
	ADP services	1	63	63	0
	Telecommunications services	2	34	34	0
	Other non-government contracts	0	35	485	450
	Other	54	3,087	3,087	0
	CAMS Bureau Specific	44	68	68	0
	CAMS Bureau Shared	0	37	37	0
	NARA Storage	0	1	1	0
	Subtotal	118	3,401	3,851	450

Department of Commerce
Minority Business Development Agency
Minority Business Development
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		2001 Adjustment to Base	2001 Base	2001 Estimate	Increase / (Decrease)
25.3	Purchases of goods and services from Government accounts				
	Office of Personnel Management Training	0	4	4	0
	GSA reimbursable services	0	5	5	0
	Payments to GA, WCF	(11)	1,402	1,402	0
	Other	(68)	(68)	(68)	0
	Subtotal	(79)	1,343	1,343	0
25.4	Operations and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.6	Medical care	0	0	0	0
25.7	Operation and maintenance of equipment	0	111	111	0
25.8	Subsistence and support of persons	0	51	51	0
	Subtotal	0	162	162	0
26	Supplies and materials				
	Office supplies	0	61	61	0
	ADP supplies	1	21	21	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	1	82	82	0
31	Equipment				
	Office machines and equipment	2	9	9	0
	ADP hardware	0	193	243	50
	ADP software	1	21	21	0
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	3	223	273	50

Department of Commerce
 Minority Business Development Agency
 Minority Business Development
 DETAILED REQUIREMENTS BY OBJECT CLASS
 (Dollar amounts in thousands)

Exhibit 17

Object Class		2001 Adjustment to Base	2001 Base	2001 Estimate	Increase / (Decrease)
32	Lands and structures	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	0	12,310	12,310	0
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	Total Obligations	435	27,656	28,156	500
	Less prior year recoveries	0	0	0	0
	Total Budget Authority	435	27,656	28,156	500

DEPARTMENT OF COMMERCE
MINORITY BUSINESS DEVELOPMENT AGENCY
Minority Business Development
APPROPRIATION LANGUAGE AND CODE CITATIONS

1. For the necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise,

15 U.S.C. 1512

15 U.S.C. 1512 authorizes the Secretary of Commerce to foster, promote and develop business, foreign and domestic.

2. Including expenses of grants, contracts, and other agreements with public or private organizations,

No Specific Authority

This phrase has been in the appropriation since FY 1980 and specifies that program expenses are included in the total appropriation request.

31 U.S.C. 718 provides that: "No specific or indefinite appropriation...shall be construed to be permanent or available continuously without reference to a fiscal year...unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the Appropriation Act in which it is contained makes provisions".

Department of Commerce
 Minority Business Development Agency
 Minority Business Development

Exhibit 34

CONSULTING AND RELATED SERVICES
 (Obligations in thousands of dollars)

	FY 1999 Actual -----	FY 2000 Estimate -----	FY 2001 Estimate -----
Consulting Services.....	0	0	0
Management and professional services.....	103	250	250
Special studies and analyses.....	0	0	0
Management and Support services for research and development.....			
Total.....	103	250	250

Since the reduction in MBDA's budget in FY 1995/1996, MBDA has reduced it's program coverage. To provide services to the entire minority business community, MBDA invested in electronic commerce. The lack of in-house expertise has required MBDA to contract for this service under the guidance of it's Information Technology Officer.

Department of Commerce
 Minority Business Development Agency
 Minority Business Development

Exhibit 35

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
 (Obligations in thousands of dollars)

	FY 1998 Actual -----	FY 1999 Actual -----	FY 2000 Estimate -----	FY 2001 Estimate -----
Periodicals.....	2	2	2	2
Pamphlets.....	40	43	40	40
Audiovisuals.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total.....	42	45	42	42

Executive Order 11625 authorizes the Minority Business Development Agency (MBDA) to provide "for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the nation in undertaking or promoting the establishment and successful operation of minority business enterprise". MBDA's Office of External Affairs is responsible for the creation of periodicals publications, and audiovisuals to carry out the mandate set forth in Executive Order 11625.

Department of Commerce
Minority Business Development Agency
Minority Business Development

Exhibit 36

Average Grade and Salaries

	<u>FY 1999 Actual</u>	<u>FY 2000 Estimate</u>	<u>FY 2001 Estimate</u>
Average ES salary.....	\$ 111,776	\$ 115,533	\$ 129,007
Average GS/GM grade.....	10.27	11.97	12.04
Average GS/GM salary.....	\$ 55,533	\$ 54,117	\$ 53,167
Total compensable workyears:			
Full-time equivalent employment.....	96	120	120
Full-time equivalent of overtime and holiday hours.....	1	1	1